

Congress of the United States
House of Representatives

Washington, DC 20515-0529

HENRY A. WAXMAN
29TH DISTRICT, CALIFORNIA

October 22, 2003

The Honorable Arnold Schwarzenegger
Governor-elect
State of California
Sacramento, CA

Dear Mr. Schwarzenegger:

I am writing to share an analysis of how pending energy legislation in Congress will affect California.

This legislation is a pork-barrel, anti-environment bill. It tramples states' rights on land use, punches holes in the Clean Water Act and Safe Drinking Water Act, gives away billions of dollars in special interest favors, and establishes massive pro-pollution subsidies and incentives. It does all this while doing nothing to address our nation's dependence on oil or the threat of climate change.

And it is of special concern to California, which will be impacted more than any other state. The bill tilts management of public lands in California toward energy production. In a shocking transfer of wealth, the bill requires Californians to provide hundreds of millions of dollars in subsidies to ethanol producers in the Midwest each year. The bill shields oil companies from liability for having to clean up California groundwater that they are responsible for contaminating. It slants the relicensing of hydroelectric projects in California towards the energy industry by excluding the state, cities, businesses, and Indian tribes from participation in the new relicensing process.

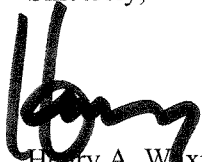
And even though congressional Republicans are dropping their proposal to inventory oil and gas reserves on the outer continental shelf, several provisions in the energy bill lay the groundwork for drilling off the California coast. In fact, one provision would authorize the federal government to issue coastal easements to support oil exploration and development without even consulting with the state.

Perhaps most significantly, the energy bill fails to address any of the Enron-style energy market manipulations that cost California consumers billions of dollars and began California's economic troubles.

There may be little you can do to influence the substance of this important legislation, but given its enormous impact on California, I thought the enclosed analysis would be of interest to you.

With best wishes,

Sincerely,



Henry A. Waxman
Member of Congress